

## ARIZONA JUDICIAL COUNCIL

### Request for Council Action

---

**Date Action  
Requested:**

June 17, 2019

**Type of Action  
Requested:**

☒ Formal Action/Request  
☐ Information Only  
☐ Other

**Subject:**

Small Claims Pilot  
Report and  
Recommendations

---

**FROM:**

Hon. Steve McMurry & Marretta Mathes

**DISCUSSION:**

The committee has reviewed data from both small claims pilot program and is making recommendations regarding which model to implement statewide and asking for approval of corresponding draft rules in the pending rule petition.

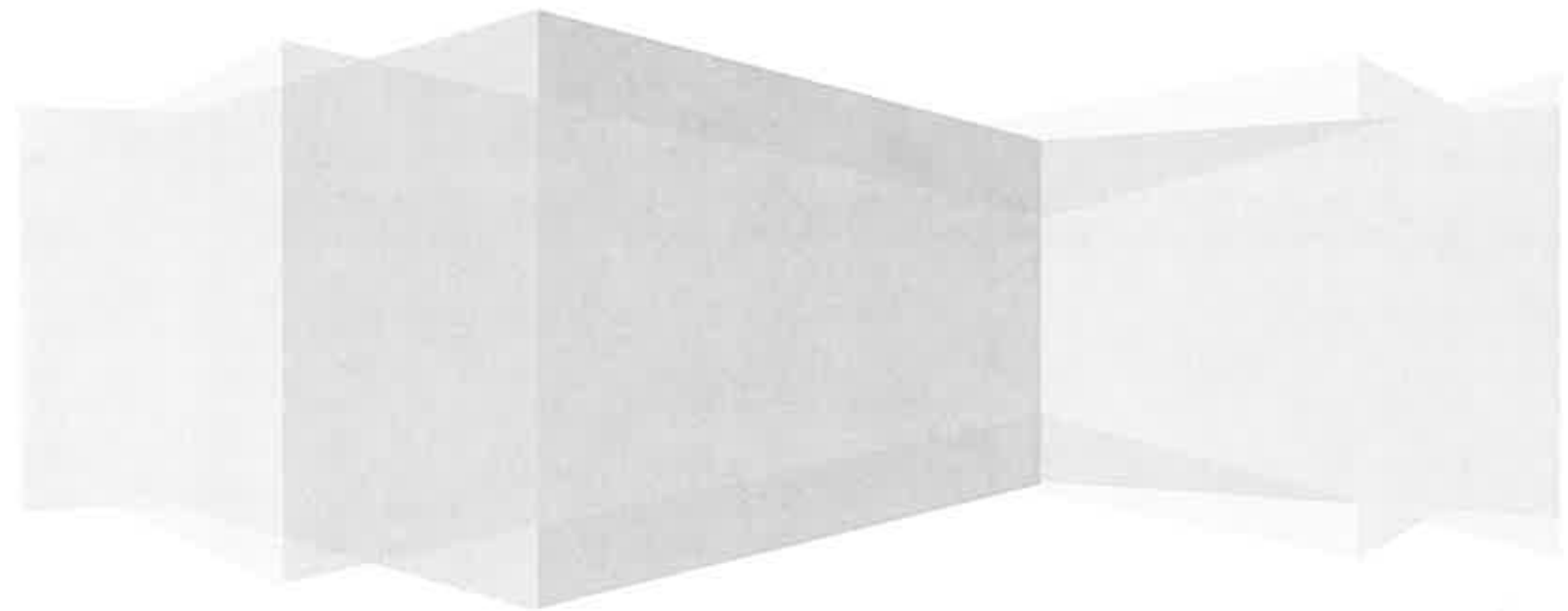
**RECOMMENDED COUNCIL ACTION:**

Requesting ratification of recommendations set forth in pilot program report, which includes corresponding proposed draft rules that reflect the recommended small claims model.

# **Small Claims Pilot Program**

**Report and Recommendations to the Arizona Judicial  
Council**

**June 2019**



## Table of Contents

ACKNOWLEDGMENTS .....	3
INTRODUCTION AND BACKGROUND .....	4
GUIDING PRINCIPLES .....	4
BRIEF HISTORY .....	5
RULE PETITION AND PILOT PROGRAMS .....	6
PILOT PROGRAM RESULTS .....	6
RECOMMENDATIONS .....	8
CONCLUSION.....	8
APPENDIX A: Time Standards.....	i
APPENDIX B: Small Claims Data Analysis (FY16).....	ii
APPENDIX C: Pilot Program Results .....	iii
APPENDIX D: Proposed Arizona Rules of Small Claims Procedure.....	xiv

**MEMBERSHIP LIST**  
**COMMITTEE ON IMPROVING SMALL CLAIMS CASE PROCESSING**

*Chair*

Hon. C. Steven McMurry (ret.)  
Maricopa County Justice Courts

Hon. Timothy Dickerson  
Justice of the Peace  
Sierra Vista Justice Court, Cochise County

Mr. Jonathan Bearup  
Superior Court Administrator  
Gila County

Mr. Mike Hellon  
Small Claims Hearing Officer  
Pima County

Hon. Lisa Royal  
Court Administrator  
Pima County Consolidated Justice Court

Mr. Paul Julien  
Judicial Education Officer  
Education Services Division, AOC  
Judge Pro Tem

Hon. William Rummer  
Justice of the Peace  
Mayer Justice Court, Yavapai County

Mr. Doug Kooi  
Public Member  
Pima County

Hon. David Widmaier  
Justice of the Peace  
Pinetop-Lakeside Justice Court, Navajo County

**AOC Staff**

Ms. Marretta Mathes  
Court Services Specialist  
Court Services Division

Ms. Catherine Clarich  
Caseflow Management Manager  
Court Services Division

## **ACKNOWLEDGMENTS**

I want to extend my sincere appreciation to the members of the Committee on Improving Small Claims Case Processing for their time and efforts in addressing the challenges presented in small claims case management in Arizona. I also want to extend my appreciation to Judge John Ellsworth of the Casa Grande Justice Court, Judge Miles Keegan of the Hassayampa Justice Court, Judge Lyle Riggs of the Western Pinal Justice Court, Judge Donald Watts of the Manistee Justice Court, and to the administration and staff of all the courts that participated in the pilot programs to produce the data that the Committee relied upon in making its recommendations to the Arizona Judicial Council. As a result of everyone's dedication and input, I am pleased to present this pilot program report and the Committee's recommendations for improved small claims case management in Arizona.

Honorable C. Steven McMurry (ret.)  
Committee Chair

## INTRODUCTION AND BACKGROUND

A review of the time standards data for small claims cases in Arizona's Justice of the Peace courts revealed that courts were experiencing difficulty in meeting the time standards adopted for small claims cases. Accordingly, the Steering Committee on Arizona Case Processing Standards recommended that this case type be examined in greater depth to determine why small claims cases were not being timely resolved.<sup>1</sup> As such, the Committee on Improving Small Claims Case Processing ("Committee") was established by Chief Justice Scott Bales on November 2, 2016 by Administrative Order 2016-115. The Committee was charged with "develop[ing] recommendations, including proposed rule amendments or pilot projects, to reduce the time required to resolve small claims cases in Arizona's Justice of the Peace courts."

The Committee conducted an analysis<sup>2</sup> of 410 small claims cases pending more than 100 days from Justice of the Peace courts throughout the state, which revealed the following:

- 41% of cases were pending because they were not dismissed for lack of service. The average case age was 755 days, even though Rule 113(i), Justice Court Rules of Civil Procedure, authorizes courts to dismiss a case once it has aged to 120 days so long as the plaintiff is notified of the court's intent to dismiss at least 20 days prior to dismissal.
- 10% of cases had delays in hearings set (or no hearing set at all) after a written answer was filed. The average case age was 387 days, even though the Arizona Revised Statutes ("A.R.S.") § 22-515 states, "On the filing of an answer by the defendant . . . [t]he hearing shall be set for a date within sixty days of the filing of the defendant's answer."
- 19% of cases had a delayed or no application for entry of default filed. The average case age was 683 days, even though A.R.S. § 22-514 provides the defendant 20 days to file an answer. Rule 140(b), Justice Court Rules of Civil Procedure, allows the plaintiff to file an application for entry of default if the defendant has not answered within this timeframe.
- 6% of cases had a delayed or no motion for judgment after an application for entry of default was filed. The average case age was 633 days, even though Rule 140(b), Justice Court Rules of Civil Procedure, allows the plaintiff to request the entry of a default judgment if no response is filed by the defendant within 10 days of the application for entry of default filing date.

To address the issues surrounding small claims cases, the Committee agreed that due to the unique nature of small claims cases and the ideology that small claims cases, by statutory definition, are intended to be "inexpensive, speedy, and informal," there should be a new designated set of rules tailored to processing these cases.

## GUIDING PRINCIPLES

As the dialogue about small claims case processing evolved, the following principles emerged:

---

<sup>1</sup> Statewide small claims time standards can be viewed in Appendix A.

<sup>2</sup> This analysis can be viewed in Appendix B.

- The small claims process should be speedy, inexpensive, and informal.
- The new, separate small claims rules should be easy for self-represented litigants to follow.
- The small claims rules should encourage courts to move cases forward expeditiously, reflecting the actual timeframes required for certain events statutorily mandated, existing resource limitations, and limitations contained in court rules for due process reasons.
- Caseflow management practices should be taken into consideration, recognizing that the scheduling of future events allows for continuous of control of cases. Research has also shown that where the court actively controls case progress, times to disposition are shortened without sacrificing quality.
- The small claims rules should benefit litigants on a statewide level and not disadvantage litigants in urban or rural areas.
- An effort to better educate litigants on the process, requirements, and expectations is necessary.

## **BRIEF HISTORY**

The Committee was charged with developing recommendations, including proposed rule amendments or pilot projects, to reduce the time required to resolve small claims cases in Arizona's Justice of the Peace courts. The Committee considered statutory requirements, court rules, court jurisdiction, model systems in other states, and any other relevant factors in drafting the proposed Arizona Rules of Small Claims Procedure ("Rules").

After several discussions and revisions regarding the initial draft Rules, the Committee reviewed data on the causes of delay in small claims cases to determine whether the initial draft Rules produced would effectively resolve the problems posed.

Major changes to the process as set forth by the initial draft Rules included:

- The hearing would be set at the time the complaint was filed—within 45-60 days of the complaint filing date.
- A written response would no longer be mandatory, although the defendant would have an option to file a written response if they wished.
- Service would be required within 20 days of the complaint filing date. If the plaintiff was not able to serve within this timeframe, they could return to the court on or before the court date to request an extension and a new summons for service.
- A "Notice to Plaintiff and Defendant" would be required to be served to all defendants.

Due to the conflicting views on statewide rules that would require courts to set a hearing at the time the complaint was filed, the Committee agreed that the proposed Rules and process should be piloted in select justice courts in at least two counties for a duration of 12 months.

On December 14, 2017, the Arizona Judicial Council approved the Committee's request to conduct a pilot program and file a concurrent rule petition seeking the adoption of Arizona Rules of Small Claims Procedure, subject to amendment based on pilot program data, public comment and feedback, and Committee input.

On January 10, 2018, by Administrative Order 2018-01, Chief Justice Bales authorized pilot program A ("Pilot A") of the proposed Arizona Rules of Small Claims Procedure. Pilot A examined the small claims process set forth by the initial draft Rules, explained above. The courts initially included in Pilot A were the Western Pinal and Casa Grande Justice Courts in Pinal County, and the Manistee and Hassayampa Justice Courts in Maricopa County. The Western Pinal Justice Court began its pilot on January 15, 2018; the Casa Grande Justice Court began its pilot on February 21, 2018; and the Manistee and Hassayampa Justice Courts began their pilots on April 16, 2018.

## **RULE PETITION AND PILOT PROGRAMS**

The rule petition has had three comment periods since the filing of the initial petition on January 10, 2018. The first comment period ended on March 16, 2018 and produced three comments. The Committee reconvened on April 18, 2018 to discuss the comments and recommended several modifications to its originally proposed Rules. An amended petition reflecting these changes was filed on April 27, 2018.

The second comment period ended on September 7, 2018 and produced two comments. The Committee reconvened on September 11, 2018 to discuss the comments and pilot program data, and recommended several modifications to the proposed Rules. A second amended petition reflecting these changes was filed on September 19, 2018.

The third comment period ended on October 19, 2018 and produced six comments. Several concerns were raised by judges and court administrators from courts that handle a significant volume of the small claims case filings in Arizona. The predominant concern was the level of resources that would be required if every small claims case was set for hearing at the time of filing. Based on these concerns, and feedback from the Manistee and Hassayampa Justice Courts regarding the amount of resources required to set every case for a hearing, Chief Justice Bales authorized pilot program B ("Pilot B") by Administrative Order 2018-104 in the Maricopa County Justice Courts and the Pima County Consolidated Justice Court. It should be noted that the Manistee and Hassayampa Justice Courts moved from Pilot A to Pilot B on February 1, 2019 based on the level of resource allocation required to sustain the Pilot A process.

Pilot B examined two changes to the Justice Court Rules of Civil Procedure, namely Rule 113(i) regarding dismissal for lack of service and Rule 144(e) regarding dismissal for failure to conclude a lawsuit. Specifically, the time for dismissal for lack of service was reduced from 120 days to 60 days. For cases in which proof of service had been filed, once the case aged to 100 days, Pilot B authorized the court to mail a *Notice of Intent to Dismiss in 60 Days* if the case had not been concluded within this timeframe.

## **PILOT PROGRAM RESULTS**



Both pilot programs, each piloting different small claims rules with significantly different processes, produced favorable results and decreased the time to disposition substantially in small claims cases.<sup>3</sup> While Pilot A worked very well in the pilot courts with lower volumes of small claims cases, feedback from the pilot courts with larger volumes of small claims cases indicated that implementing the process set forth by Pilot A is not sustainable long-term due to the resources required to set every case for a hearing.

The Committee recognized early on that setting every case for a hearing might be troublesome for larger volume courts and unanimously voted to support an exception of application of the proposed Rules for the Pima County Consolidated Justice Court. This exception was supported before Pilot B was implemented.

However, the Committee recognizes that having a small claims system with bifurcated procedures is not favored and can frustrate the rationale for having statewide rules. Additionally, the Committee has no reason to believe that implementing the Pilot B process would fail to be successful in courts with lower volumes of small claims cases, with the caveat that technology should be used to assist courts in tracking and monitoring small claims cases. As such, the Committee is recommending a small claims process that mirrors the process utilized in Pilot B.

It should be noted that the Maricopa County Justice Courts commenced Pilot B on December 1, 2018, and the Pima County Consolidated Justice Court commenced Pilot B on January 1, 2019. As such, the data for Pilot B for the Maricopa County Justice Courts does not reflect cases that may age to 151-180 days once they are adjudicated. As such, the percentages reflected in the graphs in Appendix C are slightly inflated, and over time, some of the courts' current pending caseload will fall into the 151-180 days category.

Similarly, the data for Pilot B for the Pima County Consolidated Justice Court does not reflect cases that may age to 121-150 days or 151-180 days once they are adjudicated. As such, the percentages reflected in the graphs in Appendix C are slightly inflated, and over time, some of the court's current pending caseload will fall into the 121-150 and 151-180 days categories.

However, the pending caseload statistics for both counties were reviewed so that the Committee could consider the age of the pending caseload and the number of cases currently pending, and estimate into which category of the time standard the pending cases were likely to fall.

Both pilots included a shortened timeframe for executing service. Specifically, Pilot A required that proof of service be filed within 30 days of the complaint filing date, and Pilot B required that proof of service be filed within 60 days of the complaint filing date. In both pilots, the time for service averaged approximately 20 days.<sup>4</sup> As such, the Committee takes the position that 45 days to file proof of service of process of the *Notice to the Plaintiff and Defendant* (new), summons, and complaint is adequate and recommends this timeframe for executing service of process, as this facilitates the speedy resolution of small claims cases as intended by the Arizona Legislature.

Pilot B examined a process where cases that had proof of service filed but had not been concluded within 100 days would have a *Notice of Intent to Dismiss in 60 Days* mailed to the plaintiff and

---

<sup>3</sup> The results of each pilot program can be viewed in Appendix C.

<sup>4</sup> Although the Western Pinal Justice Court reflects an average service time of 30 days, this is the average time to *file* proof of service with the court, indicating that the time to *execute* service is less than 30 days.

any defendants who appeared in the case. Courts participating in Pilot B recommended that this notice be sent earlier in the process to avoid confusion in instances where the parties might be waiting for an upcoming hearing, a ruling on a motion, etc. The Committee agreed and recommends that courts be required to send a *Notice of Intent to Dismiss 65 Days After Service* promptly after proof of service has been filed to put the parties on notice that they must continue litigating their case after proof of service has been filed.

## RECOMMENDATIONS

1. The Committee recommends a small claims process that mirrors the process utilized in Pilot B, with two exceptions:
  - a. the time for filing proof of service should be reduced to 45 days, and
  - b. upon receipt of the proof of service, the court will mail a notice to the plaintiff and to any defendant who has appeared in the lawsuit informing them that the court may dismiss the case 65 days after service was completed unless a hearing has been scheduled, or a request for the entry of a default judgment has been filed in accordance with the Justice Court Rules of Civil Procedure.
2. The Committee recommends moving forward with the pending rule petition that proposes the small claims process outlined in Recommendation #1.<sup>5</sup>
3. The Committee recommends that technology and training be utilized to assist courts in tracking and monitoring small claims deadlines by creating the ability to set ticklers, automatically generate and print notices, and notify court managers when action needs to be taken on a case, e.g., a case has not been set for hearing, a notice of dismissal has not been mailed, etc.
4. The Committee recommends that alternative means for resolving small claims cases using technology be explored, including the use of Online Dispute Resolution.

## CONCLUSION

A revision to the way small claims cases are disposed in Arizona is the first step toward reducing the time it takes to dispose of these cases. The implementation of the small claims process set forth in the proposed Arizona Rules of Small Claims Procedure should result in more effective use of time by judges, clerks, litigants, and all other administrative personnel involved. For those courts that have reached a saturation point where additional resources are needed, the efficiencies gained through successful implementation of the proposed rules may be used as a justification for requesting additional state and local funding.

---

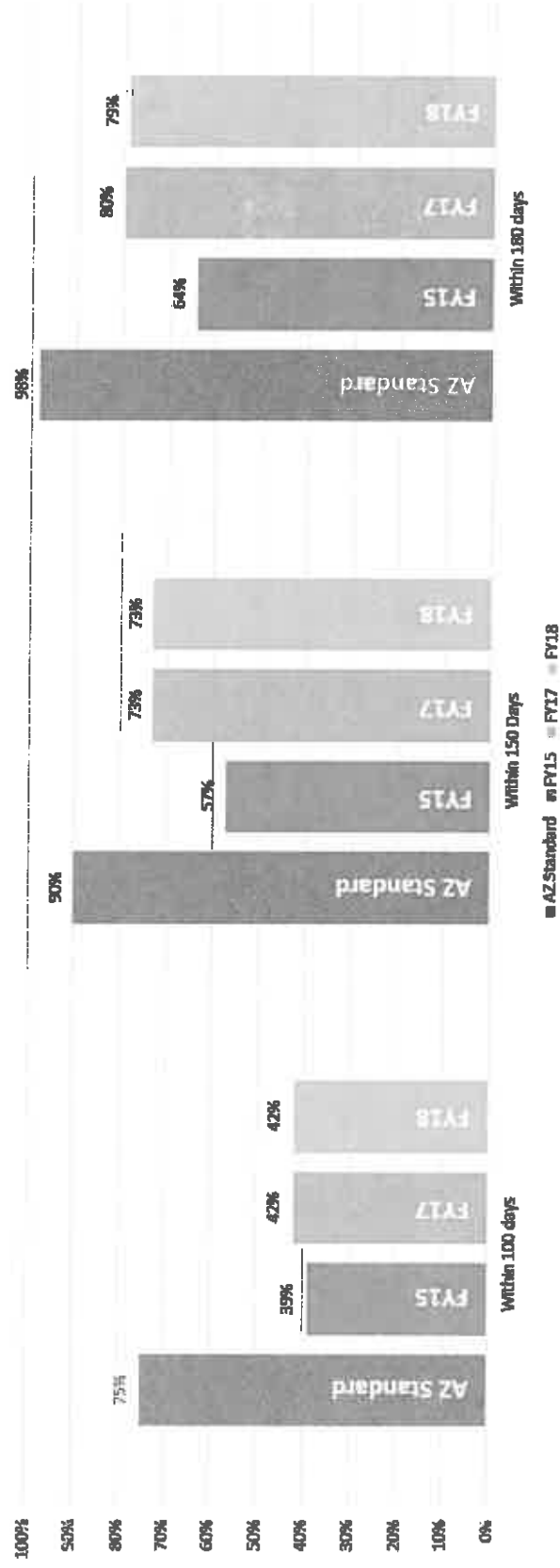
<sup>5</sup> The proposed Rules can be viewed in Appendix D.

## APPENDIX A: Time Standards

# Small Claims Statewide FY15/FY17/FY18

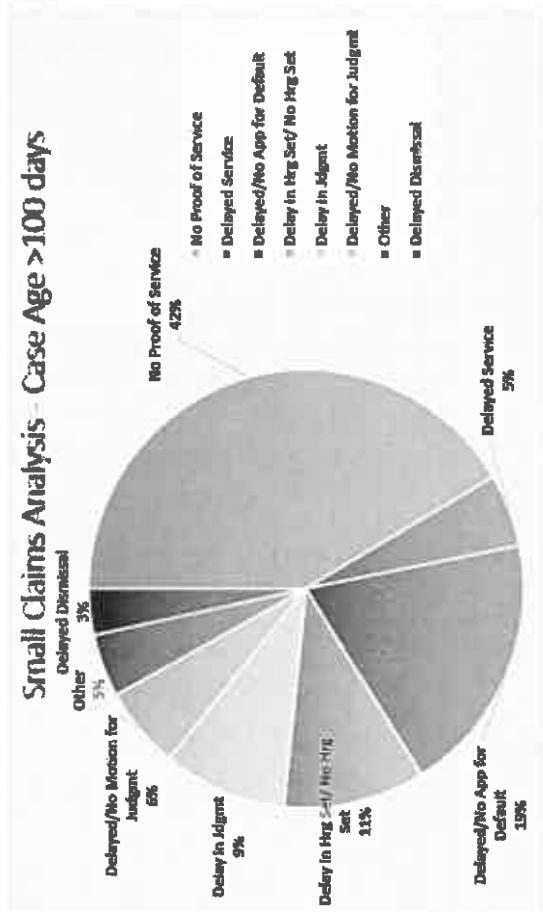
75% within 100 days - 90% within 150 days - 98% within 180 days

## Small Claims - Statewide FY15/FY17/FY18



## APPENDIX B: Small Claims Data Analysis (FY16)

# Small Claims Data Analysis



Reasons for Delay	Number of Cases*	% of Cases	Age Range	Average Case Age
No Proof of Service	170	41%	104 - 3,464 days	753 days
Delayed Service	22	5%	107 - 350 days	177 days
Delayed/No App for Default	79	19%	103 - 4,039 days	683 days
Delay in Hrg Set/ No Hrg Set	43	10%	102 - 4,051 days	387 days
Delay in Hrgmt	38	9%	105 - 453 days	168 days
Delayed/No Motion for Judgment	25	6%	102 - 3,241 days	633 days
Other	19	5%	104 - 245 days	181 days
Delayed Dismissal	14	3%	105 - 3,243 days	716 days

\*Reviewed 410 (58%) cases exceeding 100 days in age of the 705 cases disposed in FY16 for 13 of 81 (16%) justice courts.

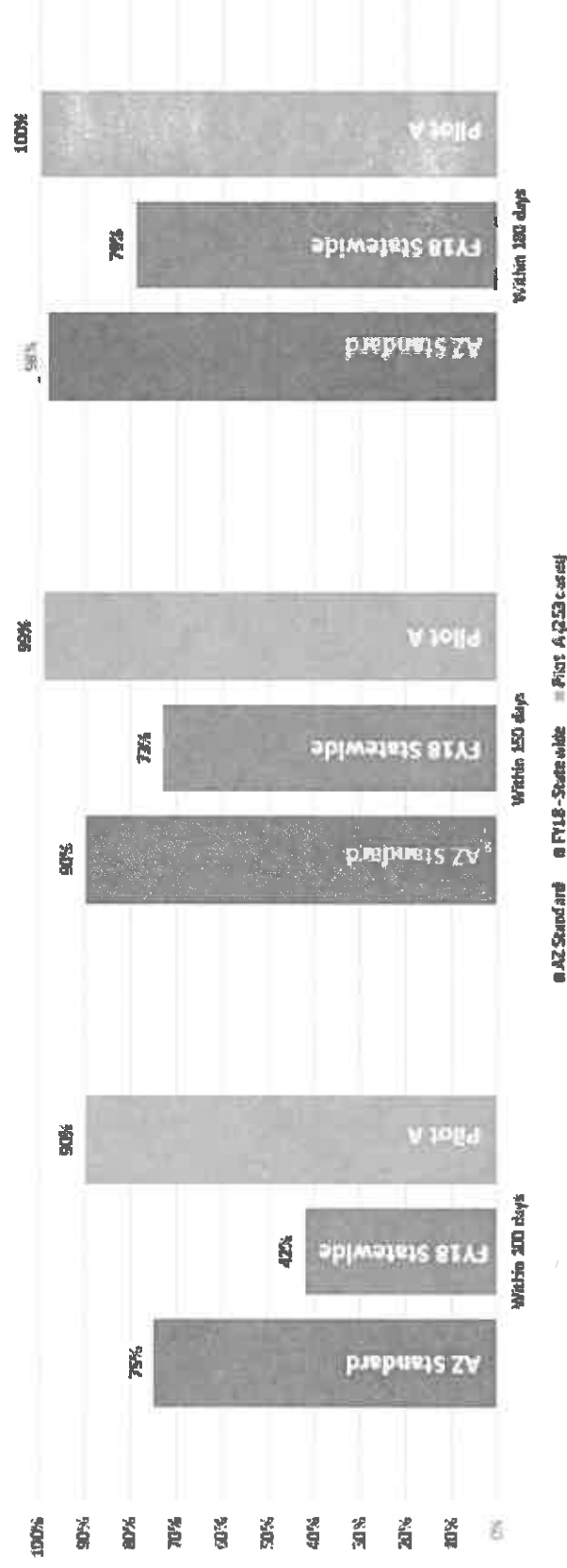
## **Pilot A**

- **Hearing set at time of filing, 60-75 days out**
- **Proof of service filed within 30 days**
- **Dismiss if proof of service not received within 60 days**
- **No written answer required, thus no default process**

# Pilot A Results Overall

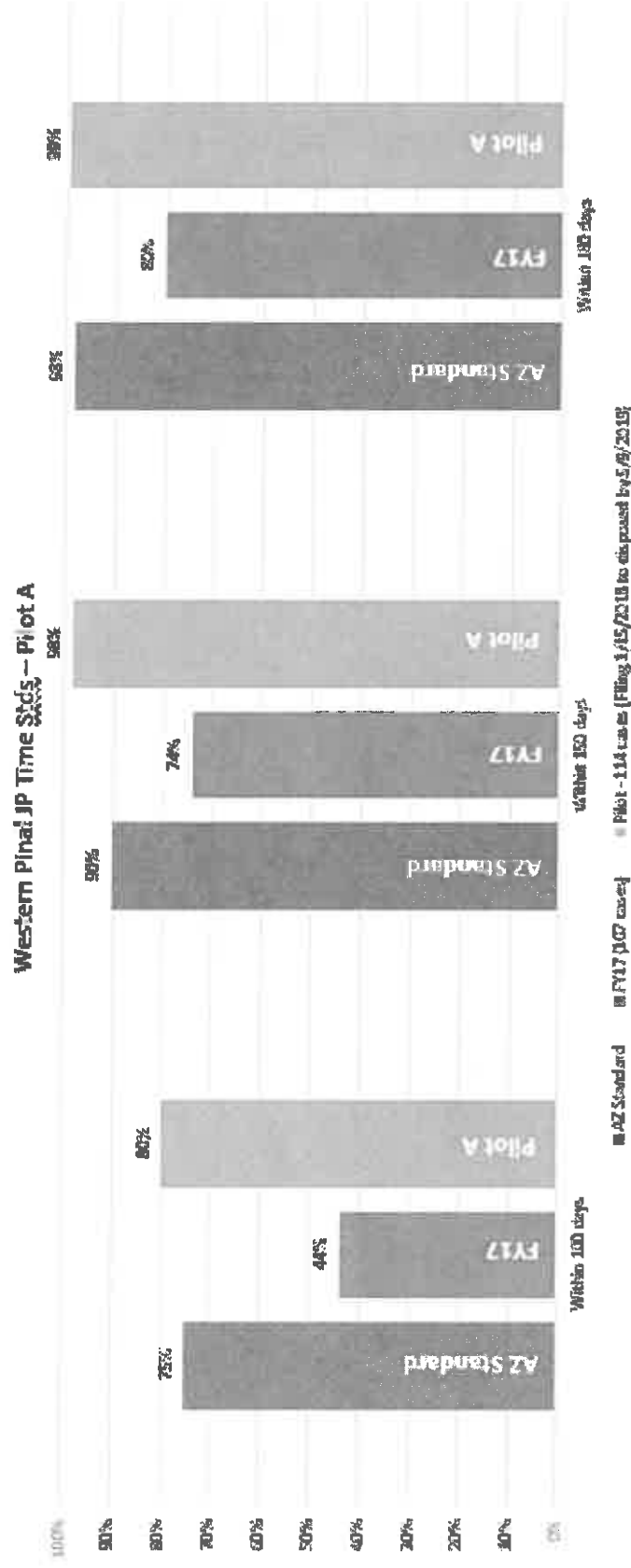
75% within 100 days - 90% within 150 days - 98% within 180 days

Overall Pilot A Time Standards



# Western Pinal Justice Court (Formerly Maricopa-Stanfield Justice Court) – Pilot A

75% within 100 days - 90% within 150 days - 98% within 180 days



# Western Pinal Justice Court (Formerly Maricopa-Stanfield Justice Court) – Pilot A

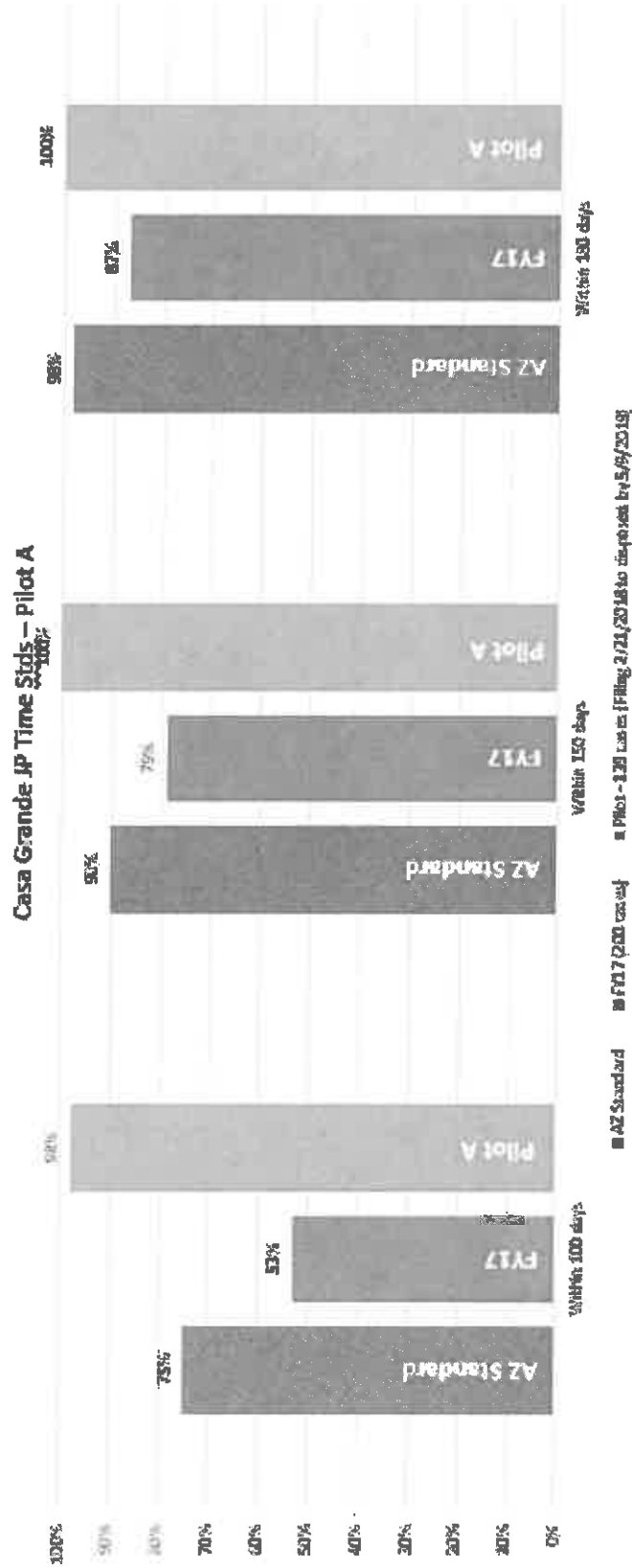
75% within 100 days - 90% within 150 days - 98% within 180 days

<b>Average Time to Disposition (Days)</b>	<b>74</b>		
<b>Time to Disposition</b>			<b>Cumulative</b>
<b>0-100 days</b>	<b>91</b>	<b>80%</b>	<b>80%</b>
<b>101-150 days</b>	<b>21</b>	<b>18%</b>	<b>98%</b>
<b>151-180 days</b>	<b>1</b>	<b>1%</b>	<b>99%</b>
<b>181+ days</b>	<b>1</b>	<b>1%</b>	<b>100%</b>
<b># Cases Served</b>	<b>85</b>	<b>75%</b>	
<b>Avg Svc Time (Days)</b>	<b>90</b>		
<b># Cases Continued</b>	<b>47</b>	<b>41%</b>	
<b># Dismissals by P</b>	<b>36</b>	<b>32%</b>	
<b># Transfer to Civil</b>	<b>5</b>	<b>4%</b>	
<b># Written Answers</b>	<b>8</b>	<b>9%</b>	
<b># Def Appeared</b>	<b>36</b>	<b>51%</b>	
<b># Counterclaims</b>	<b>0</b>		



# Casa Grande Justice Court – Pilot A

75% within 100 days - 90% within 150 days - 98% within 180 days



# Casa Grande Justice Court – Pilot A

75% within 100 days - 90% within 150 days - 98% within 180 days

Average Time to Disposition (Days)	54		
Time to Disposition			Cumulative
0-100 days	136	98%	98%
101-150 days	3	2%	100%
151-180 days	0		
181+ days	0		
# cases served	98	71%	
Avg Svc Time	20		
# Cases Continued	21	15%	
# Dismissals by P	41	29%	
# Transfer to Civil	5	4%	
# Written Answers	8	8%	
# Def Appeared*	24	34%	
# Counterclaims	4	3%	

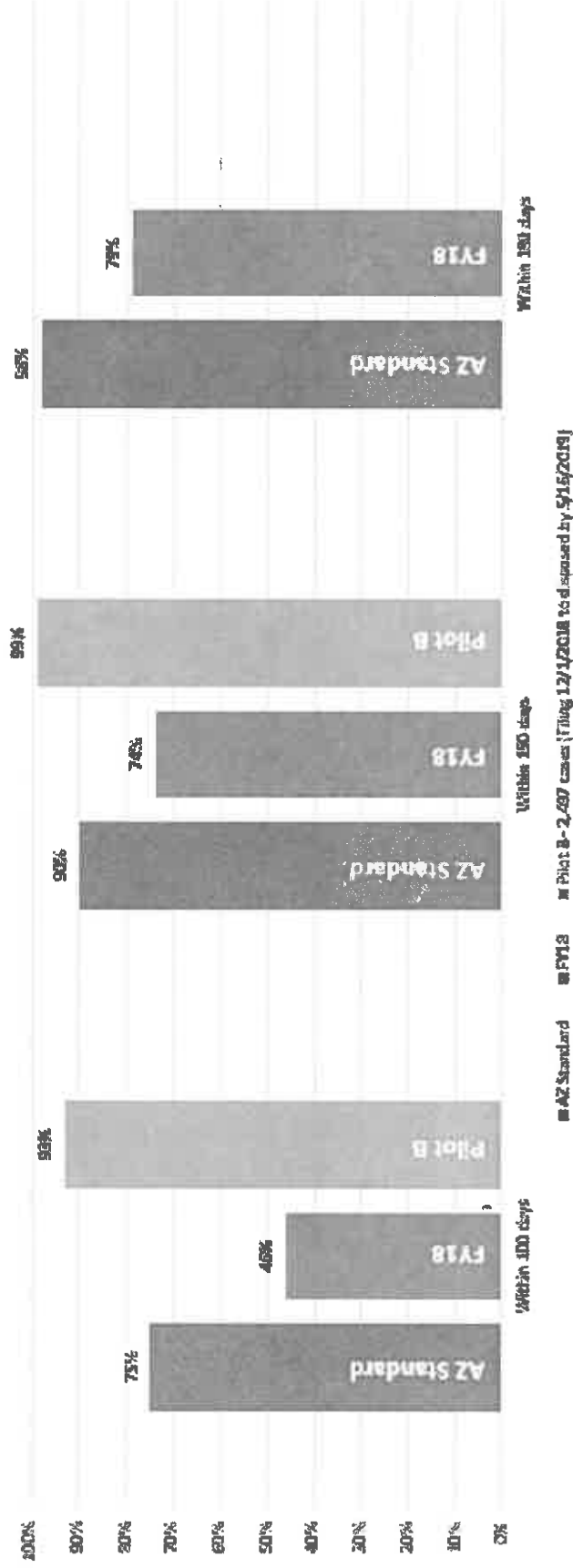
## Pilot B

- Hearing set when answer is filed
- Proof of service filed within 60 days
- Dismiss if proof of service not received or transferred to civil within 60 days
- Written answer required
- At 100 days, if no judgment has been entered, Notice of Dismissal sent if case not concluded within 60 additional days

# Maricopa County Justice Courts – Pilot B

75% within 100 days - 90% within 150 days - 98% within 180 days

Maricopa County Justice Courts - Pilot B



**75% within 100 days - 90% within 150 days - 98% within 180 days**

	Avg Age @ Term	68
Cases Filed	4820	
Term'd Lack of Service	736	29.48%
Term'd Lack of Prosecution	0	0.00%
Term'd Voluntary Dismissal	477	19.10%
Term'd Default Judgment	986	30.49%
Stipulation	14	0.56%
Answers Filed	338	13.54%
Total Dispositions	2497	52%

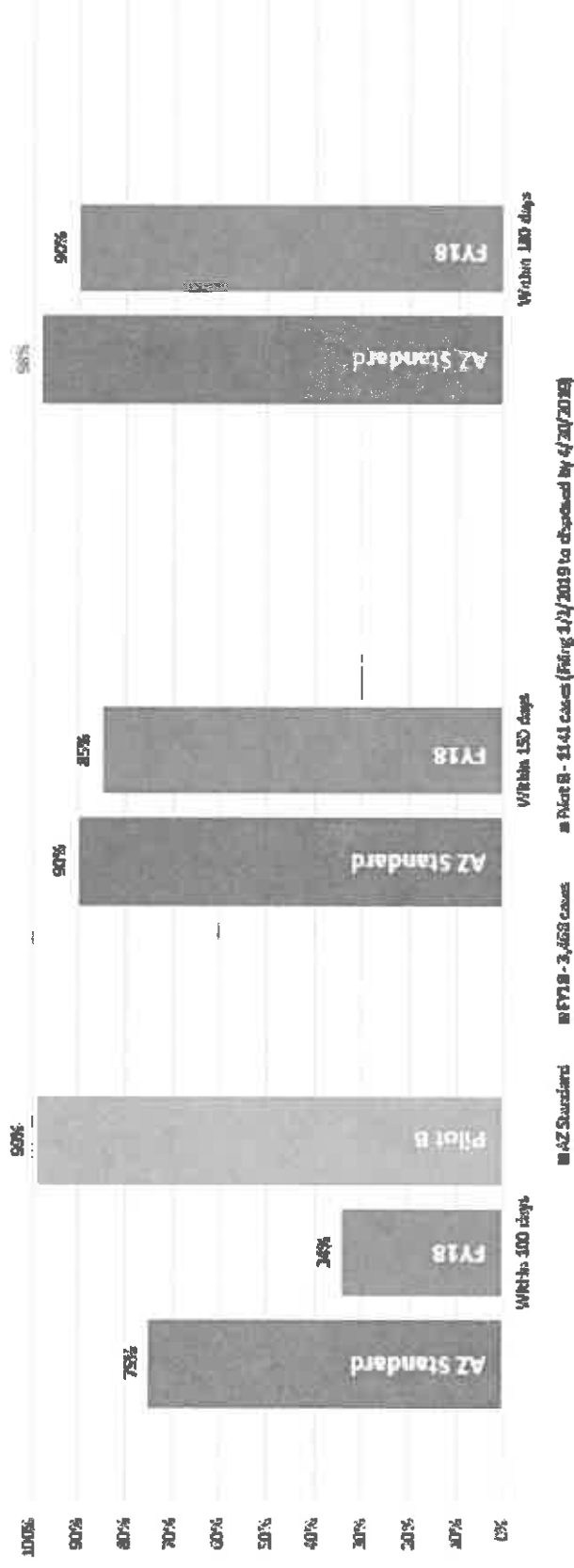
	Percentage
Cumulative Percentage	
No Judgment	2323 48.20%
Average Service Time	17 Days
Transfer to CMI	2

ix

# Pima County Consolidated Justice Court—Pilot B

75% within 100 days - 90% within 150 days - 98% within 180 days

Pima County Consolidated Justice Court - Pilot B



# Pima County Consolidated Justice Court— Pilot B

75% within 100 days - 90% within 150 days - 98% within 180 days

## Small Claims Filings 1/1/19 through 4/30/19

	Avg Age @ Term	Percentage	Time to Disposition												Total
			0-30	31-60	61-90	91-100	101-120	121-150	151-180	181-210	211-240	241-270	271+		
Cases Filed	65		0	21	237	0	0	0	0	0	0	0	0	258	
Term'd Lack of Service	61	45.42%	0	0	0	0	0	0	0	0	0	0	0	0	
Term'd Lack of Prosecution	0	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	
Term'd Voluntary Dismissal	60	16.84%	11	57	12	27	0	0	0	0	0	0	0	107	
Term'd Default Judgment	76	23.94%	0	18	95	18	5	0	0	0	0	0	0	136	
Term'd By Hearing	65	10.04%	0	29	24	2	2	0	0	0	0	0	0	57	
Term'd By Court Order	95	0.53%	0	0	0	3	0	0	0	0	0	0	0	3	
Stipulated Dismissal	32	0.35%	1	1	0	0	0	0	0	0	0	0	0	2	
Stipulated Judgment	50	0.88%	0	2	3	0	0	0	0	0	0	0	0	5	
Total Dispositions			12	128	371	50	7	0	0	0	0	0	0	568	
		Percentage	2.1%	22.8%	65.3%	8.8%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
		Cumulative Percentage	2%	25%	80%	89%	100%	0%	0%	0%	0%	0%	0%		
Age of Active Pending															
No Judgment			216	280	64	4	22	7	0	0	0	0	0	573	
			37.7%	45.4%	11.2%	0.7%	3.8%	1.2%							
Transfer to Civil			37.7%	83.1%	94.2%	94.9%	98.6%	100.0%							

Average From Case Filing to Small Claims Hearing	64 Days
Average From Answer to Small Claims Hearing	39 Days
Hearing Continuance Rate	49%
Average Service Time	19 Days

## **APPENDIX D: Proposed Arizona Rules of Small Claims Procedure**

### **Arizona Rules of Small Claims Procedure** **Table of Contents**

- Rule 1: Small Claims Lawsuit
- Rule 2: Parties to a Lawsuit
- Rule 3: Phone Numbers and Email Addresses
- Rule 4: Computing Time
- Rule 5: Where to File a Small Claims Lawsuit
- Rule 6: Plaintiff Must File a Complaint
- Rule 7: Service
- Rule 8: Providing Subsequent Documents to the Other Party
- Rule 9: Answer
- Rule 10: Setting the Hearing
- Rule 11: Counterclaim
- Rule 12: Defendant Can File a Motion to Change Venue
- Rule 13: Either Party Can Transfer the Lawsuit to the Civil Division
- Rule 14: The Hearing
- Rule 15: Alternative Dispute Resolution
- Rule 16: Requesting an Interpreter or Special Accommodations
- Rule 17: Judgment
- Rule 18: Vacating a Judgment
- Rule 19: Dismissing a Lawsuit
- Rule 20: Enforcing a Judgment and Representation
- Rule 21: Forms



## **Rule 1. Small Claims Lawsuit**

- (a) Definition of a “Small Claims Lawsuit.”** A “small claims lawsuit” is an elective, simplified procedure for a lawsuit in which the debt, damage, tort, injury, or value of the personal property claims by either the plaintiff or defendant is not more than \$3,500, exclusive of interest and costs. A small claims lawsuit also includes lawsuits where a party asks the court to disaffirm, avoid, or rescind a contract, or seeks equitable relief, and the amount at issue is not more than \$3,500.
- (b) Rules and Statutes.** These rules and the Arizona Revised Statutes (“A.R.S.”) Title 22, Chapter 5, govern procedures for small claims lawsuits.
- (c) Purpose of the “Small Claims Division.”** The purpose of the justice court’s “small claims division” is to provide a process for the inexpensive, speedy, and informal resolution of small claims lawsuits. Courts and parties should interpret these rules liberally and consistently with this purpose.
- (d) Representation.** A.R.S. § 22-512 governs who may represent a party in a small claims lawsuit. Attorneys may not represent a party in a small claims lawsuit unless all the parties agree to it in writing. A corporation, partnership, association, or any other business or organization must file a notice stating the name of an authorized person who will file and appear in court on its behalf.
- (e) No Jury and No Appeal.** A party does not have a right to a jury trial or to appeal the judgment in a small claims lawsuit. The decision of the justice of the peace or hearing officer is final and binding on both parties.

## **Rule 2. Parties to a Lawsuit**

- (a) Parties.** The parties to a small claims lawsuit are the plaintiff and the defendant. A party can be an individual, a marital community, a corporation, a partnership, an association, or other organization.
- (b) Plaintiff.** A plaintiff is the party who files a small claims lawsuit. The plaintiff must be a real party to the original transaction that forms the basis of the lawsuit, unless the person is commencing a lawsuit as a personal representative duly appointed pursuant to a proceeding as provided in Title 14 of the Arizona Revised Statutes.
- (c) Defendant.** A defendant is the party who is sued.

**(d) Use of Correct Legal Name.** A plaintiff must use the party's correct legal name when filing a lawsuit. Each defendant must be sued by the correct legal name.

### **Rule 3. Phone Numbers and Email Addresses**

All parties must provide the court with a physical address, email address, and phone number, if available. The court may use this information to communicate with the parties about their case by mail, email, text message, or phone.

### **Rule 4. Computing Time**

These rules may require a party to take action within a specified number of days from an event. The day of the event is not counted. A party must include Saturdays, Sundays, and holidays when counting days, but if the last day to take action falls on a Saturday, Sunday, or holiday, the party has until the next business day to take that action. Unless otherwise specified, all time periods referenced in these rules are calendar days.

### **Rule 5. Where to File a Small Claims Lawsuit**

The plaintiff must file a complaint in the justice court precinct (the "venue") where the defendant resides or as permitted by A.R.S. § 22-202. The claim may be heard in a different justice court precinct if the court has jurisdiction and the defendant fails to object.

### **Rule 6. Plaintiff Must File a Complaint**

**(a) The Complaint.** A small claims lawsuit starts when a plaintiff files a small claims complaint.

- (1) *Statement of Claim.*** The complaint must be legible and must briefly state the plaintiff's reasons for the claim against the defendant.
- (2) *Amount of Claim.*** The amount of all claims in the complaint cannot exceed the jurisdictional limit for a small claims lawsuit.
- (3) *Filing Fee.*** The plaintiff must pay a fee to the court to file a complaint, although the plaintiff may request a deferral or waiver of this fee as provided by A.R.S. § 12-302 and the Arizona Code of Judicial Administration § 5-206.

- (b) **Claim for More Than \$3,500.** If the claim amount or amount at issue in the plaintiff's complaint exceeds the small claims jurisdictional limit, the plaintiff cannot file the lawsuit in the small claims division. A plaintiff cannot avoid this requirement by splitting the claim amount into several smaller claim amounts.
- (c) **Amendments.** No amended complaints will be allowed. A plaintiff can choose to dismiss the complaint and file a new lawsuit.
- (d) **Settlement.** The plaintiff must notify the court if the lawsuit settles before the hearing date by filing a Notice of Settlement.

## **Rule 7. Service**

- (a) **Serving the Defendant: When.** Not later than 45 days after the filing date of the complaint, the plaintiff must file proof of service of process or transfer the matter out of the small claims division. As to any defendant for whom proof of service of process is not timely filed, the court shall dismiss without prejudice the complaint against them.
- (b) **Serving the Defendant: How.** The plaintiff must serve the summons, complaint, and Notice to the Plaintiff and Defendant ("notice") on each defendant in a manner provided by this rule.
- (1) ***Registered or Certified Mail.*** The plaintiff may serve the defendant by registered or certified mail, with a "return receipt requested." The plaintiff must file the return receipt with the court within 45 days of the complaint filing date to establish that the defendant was served. The return receipt can be the card returned to the plaintiff by the postal or delivery service or the return receipt printed from the postal or delivery service's website.
- (2) ***Constable, Sheriff, or Private Process Server.*** The plaintiff may arrange for personal service on the defendant by a constable, sheriff, or private process server. If personal service is used, an affidavit of service must be filed with the court within 45 days of the complaint filing date.
- (c) **Timely Litigation After Service of Process: Notice to the Parties.** Upon receipt of the proof of service of process, the court will mail a notice to the plaintiff and to any defendant who has appeared in the lawsuit informing them that the court may dismiss the case 65 days after service of process was completed

unless a hearing has been scheduled, or a request for the entry of a default judgment has been filed in accordance with the Justice Court Rules of Civil Procedure.

### **Rule 8. Providing Subsequent Documents to the Other Party**

**(a) General.** A complete and exact copy of every document that is filed with the court must be provided to every other party in the lawsuit before or promptly after the document is filed, by one of the following methods:

- (1) Hand-delivery to the other party;
- (2) Mailing the document via first-class U.S. mail to the other party's last known address, or by using any type of professional delivery service that produces written confirmation of delivery; or
- (3) Delivering the document electronically.

**(b) Noting the Method of Service.** On the last page of a document that is filed with the court, the party who is providing the document under section (a) of this rule must state the date and method used to provide the document to the other party. For first class mailing, the date stated must be the date that it was deposited in the mail with first class postage.

### **Rule 9. Answer**

A defendant must file a written answer within 20 days of service. The defendant must pay a fee to the court to file an answer, although the defendant may request a waiver or deferral of this fee as provided by A.R.S. § 12-302 and the Arizona Code of Judicial Administration § 5-206. If an answer is not filed within 20 days of service, the plaintiff must initiate default proceedings in accordance with the Justice Court Rules of Civil Procedure. (See Rule 21(b) of these rules)

### **Rule 10. Setting the Hearing**

The court will set a hearing date when the defendant files an answer. The hearing must be held within 60 days after the answer filing date. All parties must appear at the scheduled hearing.

### **Rule 11. Counterclaim**

- (a) Definition.** A counterclaim asserts that the plaintiff owes something to the defendant.
- (b) When to File.** The defendant may file a counterclaim against the plaintiff that is based on the same event described in the plaintiff's complaint or based on a different event than the one described in the plaintiff's complaint. A counterclaim must be filed within 20 days of service of the summons, complaint, and notice.
- (c) Limit on the Dollar Amount.** The amount of the counterclaim cannot exceed the jurisdictional limit of the small claims division. If the defendant files a counterclaim that exceeds the small claims division's jurisdictional limit, but the counterclaim does not exceed the justice court's jurisdictional limit, the court must transfer the plaintiff's claim and the defendant's counterclaim to the justice court's "civil division." A counterclaim that is more than \$10,000 will result in a transfer of the entire lawsuit to the superior court.
- (d) Amendments.** No amended counterclaims will be allowed in the small claims division.

### **Rule 12. Defendant Can File a Motion to Change Venue**

If the lawsuit is not filed in the correct justice court precinct, the defendant may file a motion to change the venue of the lawsuit. The plaintiff has 10 days to file a response. If the justice of the peace grants the motion, the court will transfer the lawsuit to the proper precinct. The parties must appear at any scheduled court date until they receive notice that the court has granted the motion.

### **Rule 13. Either Party Can Transfer the Lawsuit to the Civil Division**

- (a) Transfer to Civil Division by Request.** Either party can file a request to transfer the lawsuit to the justice court's "civil division."
- (b) Time for Filing a Request to Transfer.** A party must file the request to transfer the lawsuit to the justice court's "civil division" no later than 10 business days before the hearing date.

- (c) Voluntary Dismissal After Transfer to Civil Division.** If a request is made to transfer the lawsuit to the justice court's "civil division," and the defendant has not filed an answer or counterclaim, a plaintiff who does not want the lawsuit to proceed in the civil division has 15 days after the defendant files the transfer request to voluntarily dismiss the lawsuit.

#### **Rule 14. The Hearing**

- (a) Hearing Officer.** A party may request that a justice of the peace, rather than a hearing officer, decide the lawsuit. A party must make this request in writing at least 15 days before the hearing date.

- (b) Rescheduling a Hearing.** As soon as possible, but at least 15 days before the hearing date, a party may file a request in writing to reschedule the hearing and deliver a copy to the other party. The request must include a good reason for rescheduling and, if possible, provide supporting documentation. The court may deny the request if a party does not provide a good reason for rescheduling, does not provide documentation for the request, or if the party has made previous requests to reschedule the hearing. The court will consider emergency requests (a request received less than 15 days before the hearing) only if the request also shows a good reason for not filing it earlier.

**(c) Failure to Appear for the Hearing.**

- (1) Both Parties Fail to Appear.** If both parties fail to appear at the hearing, the court will dismiss the complaint and any counterclaims without prejudice, meaning the claims may be refiled if all other legal requirements have been met.
- (2) Defendant Fails to Appear.** If the plaintiff appears and has properly served the defendant, but the defendant does not appear, the court will consider the plaintiff's evidence and, if substantiated by the evidence, the court may award judgment for the plaintiff. However, if the defendant is on active military duty and (1) fails to appear at the hearing, and (2) has not made an appearance in the case, the court cannot award judgment for the plaintiff at that time and must transfer the case to the justice court civil division for further proceedings.
- (3) Plaintiff Fails to Appear.** If the plaintiff fails to appear, but the defendant appears, the court may dismiss the lawsuit with or without prejudice, or it may award judgment for the defendant.

**(d) Appearing by Telephone.** For a good reason, a party may appear at a hearing by telephone if the court allows telephonic appearances. The party must file a request to appear by telephone in writing at least 15 days before the hearing date. The request must contain that party's telephone number. The party must attach to the request any documents, photographs, or other evidence the party wants to submit at the hearing. If the court approves the request, the court will provide a phone number the party must call to appear telephonically for the hearing.

**(e) Conducting the Hearing.** The justice of the peace or hearing officer will consider testimony from the parties and witnesses, will consider any documents, and will decide the claim and any counterclaim. The justice of the peace or hearing officer may ask questions, and also may permit the parties to ask questions of each other and of any witnesses. Formal rules of evidence do not apply. Any non-privileged evidence tending to make a fact at issue more or less probable is admissible unless the justice of the peace or the hearing officer determines the evidence lacks reliability or will cause unfair prejudice, cause confusion, or waste time.

**(f) Additional Time to Prepare.** If a party believes the date set for the hearing does not allow adequate time to prepare or properly exercise other rights under these rules, such as filing a counterclaim under Rule 11 or a transfer under Rule 13, the party may ask the court for a continuance. If the justice of the peace or hearing officer finds that the party's rights have been harmed by the amount of time to prepare or properly exercise other rights under these rules, a continuance will be granted.

## **Rule 15. Alternative Dispute Resolution**

The court may refer the case to an Alternative Dispute Resolution program, including Online Dispute Resolution, at any time before the hearing date.

## **Rule 16. Requesting an Interpreter or Special Accommodations**

The court should be notified of requests for an interpreter or special accommodations at least 15 days before a court date.

## **Rule 17. Judgment**

**(a) Definition and Requirements.** A “judgment” is a final written order of the court that decides the claims in the lawsuit. A judgment must be signed by a justice of the peace or hearing officer and filed with the court.

**(b) Rendering and Mailing a Judgment.** A justice of the peace or hearing officer may render a judgment at the end of the hearing or within 10 days after the hearing. The court must mail a copy of the judgment to all parties within 5 days. The judgment is final and binding on all parties.

**(c) Correcting a Judgment.** On the court’s own initiative or at either party’s request, the court may correct the judgment if a name is misspelled, there is a misstatement of a fact, or there is a miscalculation of an amount.

## **Rule 18. Vacating a Judgment**

**(a) Reasons for Vacating a Judgment.** On either party’s motion, the court may relieve a party from a judgment for the following reasons:

- (1) mistake, inadvertence, surprise, or excusable neglect;
- (2) fraud, misrepresentation, or other misconduct of an opposing party;
- (3) the judgment is void;
- (4) the judgment has been satisfied, released, or discharged; it is based on an earlier judgment that has been reversed or vacated; or applying it prospectively is no longer equitable; or
- (5) any other reason justifying relief.

**(b) Timing and Effect of the Motion.**

- (1) **Timing.** A motion under Rule 18(a) must be made within a reasonable time, and for reasons (1) and (2), no more than 6 months after the entry of the judgment or date of the proceeding, whichever is later.
- (2) **Effect on Finality.** The motion does not affect the judgment's finality or suspend its operation.

**(c) Providing the Motion to the Other Party and Time for Response.** The moving party must deliver a copy of the motion to the other party on the date of filing. The other party has 15 days to file a written response, and must deliver a copy of the response to the moving party on the date the response is filed.



**(d) Other Powers to Grant Relief.** This rule does not limit the court's power to:

- (1) entertain an independent action to relieve a party from a judgment; or
- (2) set aside a judgment for fraud on the court.

**(e) Representation.** An attorney may represent a party on a motion to vacate a judgment.

### **Rule 19. Dismissing a Lawsuit**

**(a) Dismissal by the Plaintiff.** If the defendant has not filed an answer or counterclaim in the lawsuit, the plaintiff may dismiss the complaint at any time by filing a Notice of Voluntary Dismissal.

**(b) Dismissal by Agreement.** The parties may mutually agree to dismiss the complaint and any counterclaims by filing an agreement to dismiss that is signed by all the parties who have appeared in the case.

### **Rule 20. Enforcing a Judgment and Representation**

Payment of the judgment is due when the judgment is rendered. A judgment from a small claims lawsuit may be enforced in accordance with Title 12, Chapter 9 and sections 22-243 through 22-246 of the Arizona Revised Statutes. An attorney may represent a party for post-judgment proceedings.

### **Rule 21. Forms**

**(a)** The Administrative Office of the Courts shall develop recommended forms to be used in small claims cases. Courts may modify these forms to comport with local practice or use forms that are substantially similar.

**(b)** Small claims forms are:

- (1) Complaint;
- (2) Summons;
- (3) Proof of Service by Registered or Certified Mail;
- (4) Answer;
- (5) Counterclaim;
- (6) Application and Affidavit for Entry of Default;

- (7) Motion for Default Judgment;**
- (8) Motion to Change Venue;**
- (9) Motion to Vacate a Judgment;**
- (10) Request [for example, a request to transfer a lawsuit to the justice court civil division, request for telephonic hearing, stipulation to dismiss lawsuit; or a request to postpone the hearing];**
- (11) Objection to Hearing Officer and Request for Justice of the Peace to Hear Matter;**
- (12) Subpoena;**
- (13) Notice of Voluntary Dismissal; and**
- (14) Notice of Settlement**

## **Appendix**

## READ THIS NOTICE CAREFULLY

### **Notice to the Plaintiff and Defendant: A small claims lawsuit has been filed in justice court.**

1. The small claims process is an inexpensive, quick, and informal way to resolve civil disputes up to \$3,500.
2. Persons in a lawsuit are called "parties." There is a "plaintiff" and a "defendant." A "plaintiff" is someone who files a lawsuit against a "defendant."
3. Individuals represent themselves in a small claims lawsuit. There usually are no attorneys. One spouse may represent both spouses. A full-time corporate officer or authorized employee may represent a corporation; an active general partner or an authorized full-time employee may represent a partnership; an active member or an authorized full-time employee may represent an association; and any other organization may be represented by one of its active members or authorized full-time employees.
4. **You do not have a right to an appeal from a small claims judgment.** Either party may request a transfer of the lawsuit from the Small Claims Division to the regular Civil Division of the justice court. A transfer will allow:
  - (1) Either party to have an attorney;
  - (2) The defendant to file a counterclaim for more than \$3,500;
  - (3) Either party to file motions that are not permitted in small claims lawsuits;
  - (4) Parties to have a jury trial; and
  - (5) A party to have the right to appeal.
5. You must properly complete your court papers and file them when they are due. Blank forms for a small claims lawsuit are available on the Arizona Judicial Branch website and are available from any justice court.
6. Court staff are not allowed to give you legal advice. However, court staff can provide information regarding the jurisdiction, venue, pleadings, and procedures of the small claims division.
7. You must follow the Arizona Revised Statutes and Arizona Rules of Small Claims Procedure that apply in your lawsuit. The statutes and rules are available in many public libraries and at the courthouse. The statutes are also online at the Arizona State Legislature webpage, and the rules are online at the Arizona Judicial Branch Court Rules webpage.
8. Some filings require a filing fee. Either party can request a fee waiver or deferral from the court, but the party must still file documents on time.
9. **PLAINTIFF:** When you file your lawsuit, the court will provide you with a summons and a copy of this notice. You must file proof of service within 45 calendar days or your case may be dismissed. **A lawsuit against the defendant cannot proceed without proper service.** Methods of service can be found in Rule 7 of the Arizona Rules of Small Claims Procedure. If proof of service is not timely filed or your case is not concluded within 65 days of the date the defendant was served, the court may dismiss your case unless it finds a good reason not to.
10. **DEFENDANT:** You must file a written answer and mail a copy to the plaintiff. Otherwise, judgment may be entered against you. If you have a claim against the plaintiff that is based on the same event described in the plaintiff's complaint or based on a different event, you may file a counterclaim. A defendant who files a counterclaim must mail a copy to the plaintiff.
11. **BOTH PARTIES:** You must appear at all scheduled hearings or alternative dispute resolution conferences. Both parties must provide supporting evidence for their claims and defenses.
12. A justice of the peace or a hearing officer who has received specialized training will conduct the hearing. You should be prepared to clearly present your evidence. Although you may be permitted to appear telephonically for reasons such as no longer residing in the area, it would present a financial hardship, etc., you may be at a disadvantage since all evidence must be submitted to the court before the hearing. If you fail to appear at a hearing, the court may enter a judgment against you. To ensure that you receive these notices, you must keep the court informed, in writing, of your current address and telephone number until the lawsuit is over.

# Small Claims Pilot Program Results

---

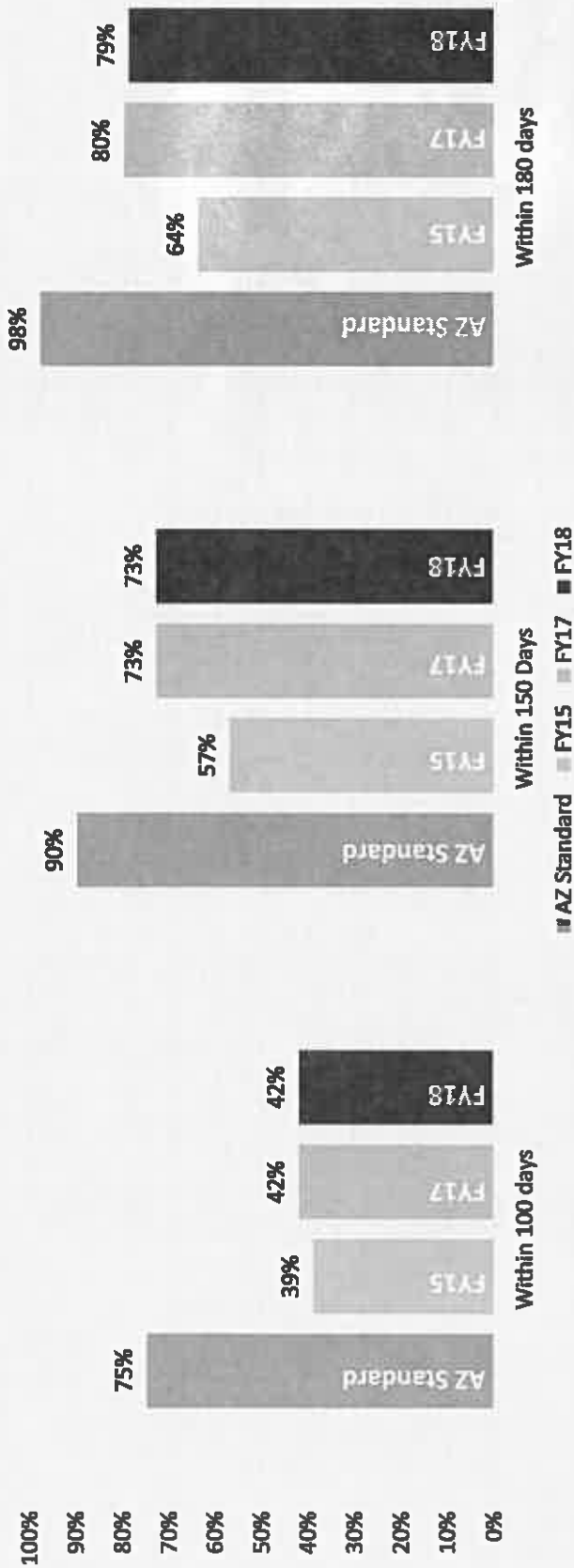
*Meeting of the Arizona Judicial Council*

*June 17, 2019*

# Small Claims Statewide FY15/FY17/FY18

75% within 100 days - 90% within 150 days - 98% within 180 days

## Small Claims - Statewide FY15/FY17/FY18



# *Committee Background*

---

- Established in Nov. 2016 to address case processing delays
- Charged with reviewing small claims case processing and making recommendations for improvement

# *Proposed Small Claims Rules*

---

- Small claims cases governed by Arizona Revised Statutes and two Justice Court Rules of Civil Procedure
- Several areas of concern identified:
  - Significant delays in time to resolution
  - Complexities and lack of authority/guidance in the current process
  - Lack of court case monitoring
- Proposed rules are intended to simplify process for litigants and expedite caseload



# *Pilot Programs*

---

- January 10, 2018 Administrative Order 2018-01 authorized initial pilot program (Pilot A):
  - Hearing set at time of filing, within 45-60 days
  - Service must be **executed** within 20 days of complaint filing date
  - Written answer not required
  - No default process
  - *Notice to Plaintiff and Defendant*

## *Pilot Programs*

---

- Concurrent rule petition filed, subject to amendment
- Committee reconvened several times to discuss comments and recommend several modifications to proposed rules

# *Pilot Programs*

---

## **Pilot A modified**

- Hearing set at time of filing, within 60-75 days
- Service must be **filed** within 30 days of complaint filing date
- Court may dismiss on 61<sup>st</sup> day if no proof of service

# *Pilot Programs*

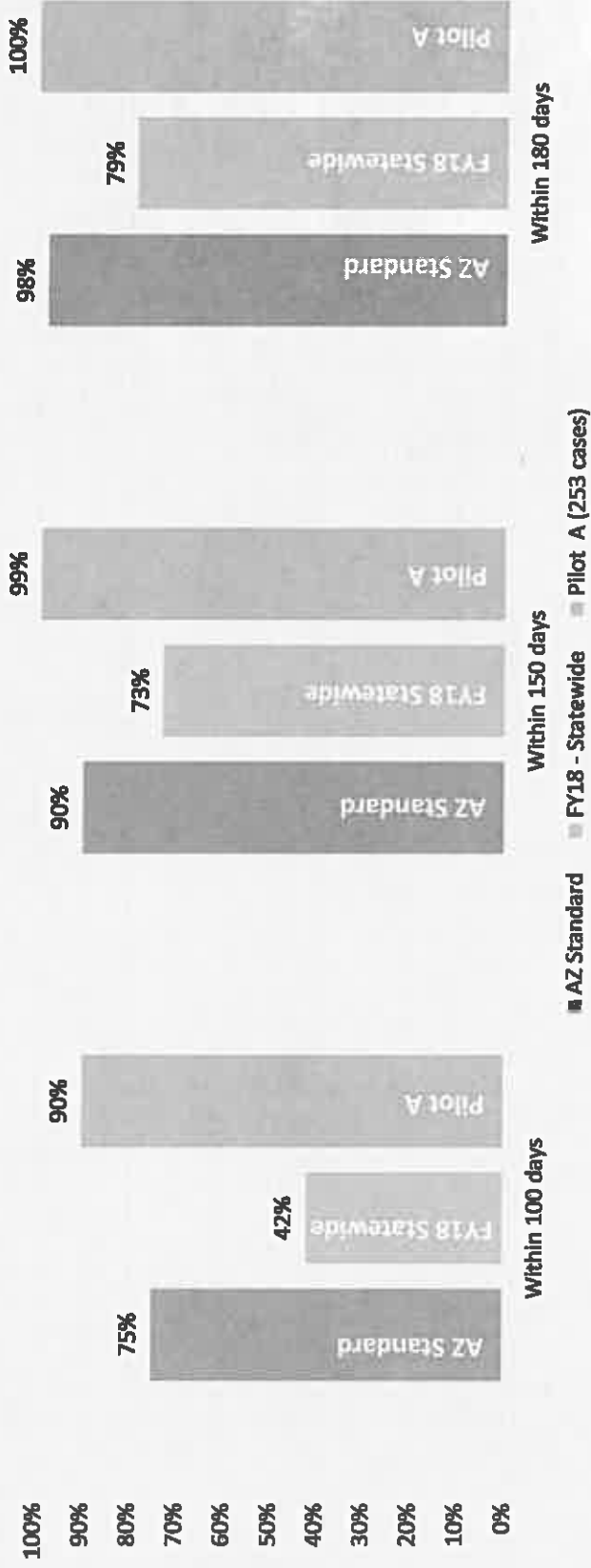
---

- Pilot B commenced
- Written answer required
- Hearing set when answer filed
- Case is dismissed at 60 days instead of 120 days for lack of service
- In cases with proof of service filed, case is dismissed at 160 days for failure to conclude lawsuit, after notice to parties at 100-day mark
- Default process

# Pilot A Results Overall

75% within 100 days - 90% within 150 days - 98% within 180 days

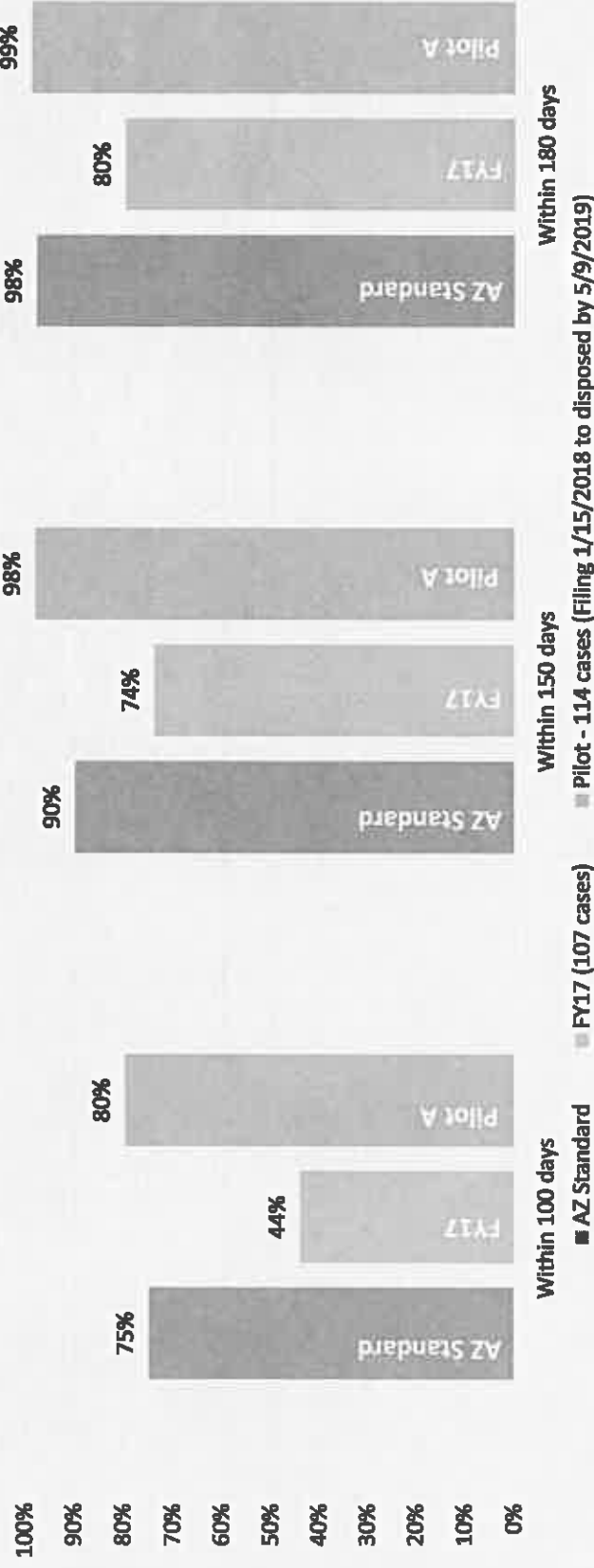
## Overall Pilot A Time Standards



# Western Pinal Justice Court (Formerly Maricopa-Stanfield Justice Court) – Pilot A

75% within 100 days - 90% within 150 days - 98% within 180 days

Western Pinal JP Time Stds - Pilot A



# Western Pinal Justice Court (Formerly Maricopa-Stanfield Justice Court) – Pilot A

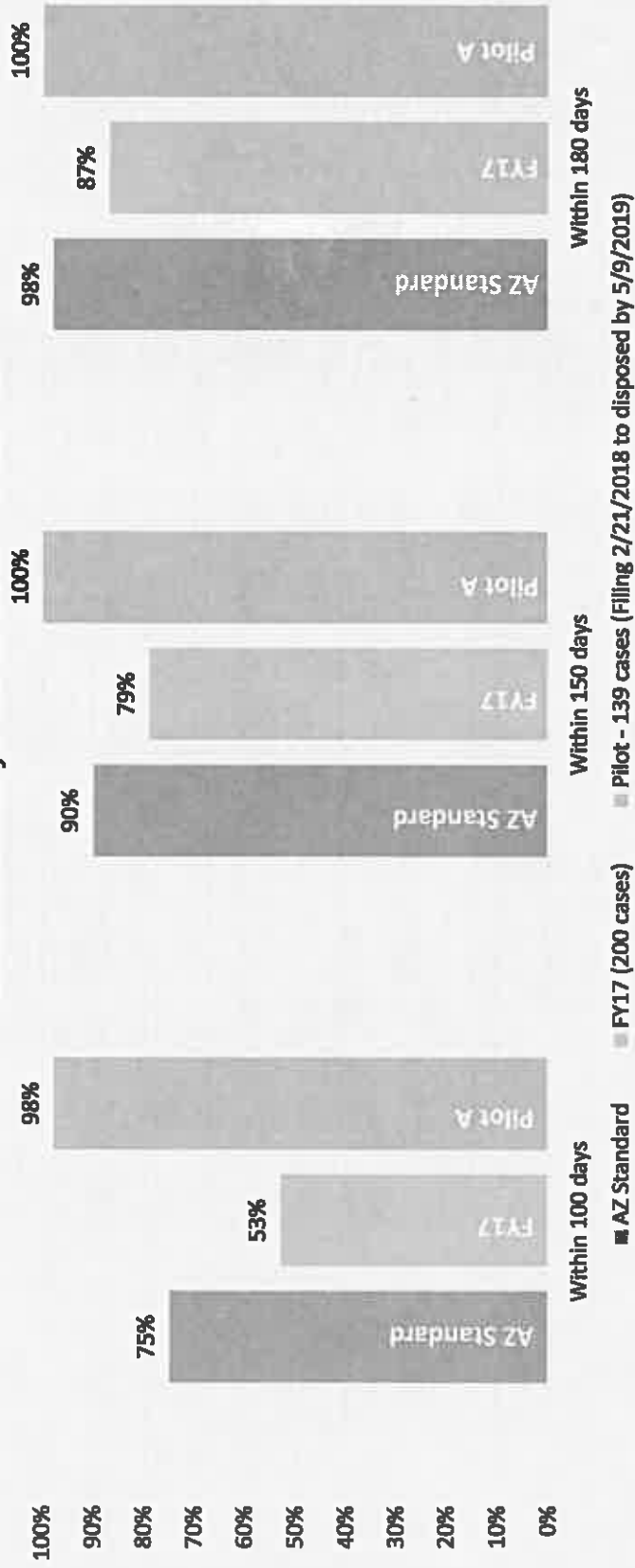
75% within 100 days - 90% within 150 days - 98% within 180 days

Average Time to Disposition (Days)	74		
Time to Disposition			Cumulative
0-100 days	91	80%	80%
101-150 days	21	18%	98%
151-180 days	1	1%	99%
181+ days	1	1%	100%
# cases served	85	75%	
Avg Svc Time (Days)	90		
# Cases Continued	47	41%	
# Dismissals by P	36	32%	
# Transfer to Civil	5	4%	
# Written Answers	8	9%	
# Def Appeared	36	51%	
# Counterclaims	0		

# Casa Grande Justice Court – Pilot A

75% within 100 days - 90% within 150 days - 98% within 180 days

Casa Grande JP Time Stds – Pilot A





# Casa Grande Justice Court – Pilot A

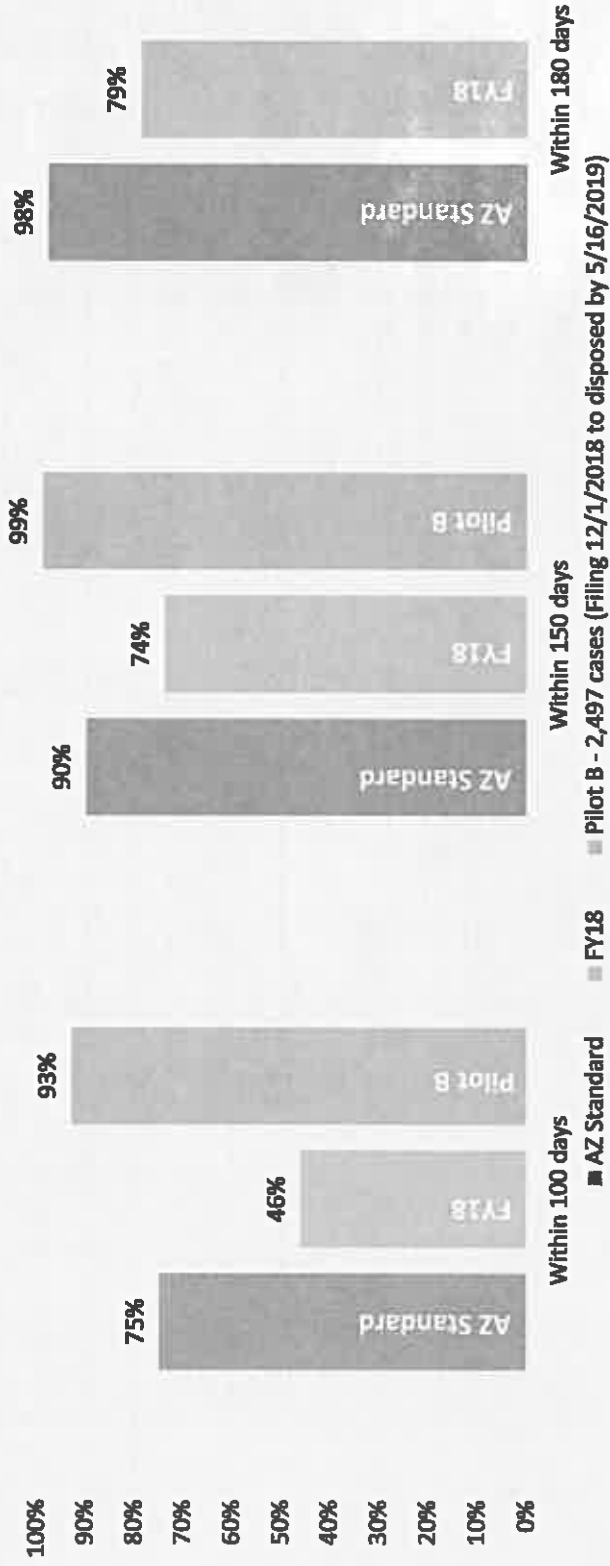
75% within 100 days - 90% within 150 days - 98% within 180 days

Average Time to Disposition (Days)	54		
Time to Disposition			Cumulative
0-100 days	136	98%	98%
101-150 days	3	2%	100%
151-180 days	0		
181+ days	0		
# cases served	98	71%	
Avg Svc Time	20		
# Cases Continued	21	15%	
# Dismissals by P	41	29%	
# Transfer to Civil	5	4%	
# Written Answers	8	8%	
# Def Appeared*	24	34%	
# Counterclaims	4	5%	

# Maricopa County Justice Courts – Pilot B

75% within 100 days - 90% within 150 days - 98% within 180 days

## Maricopa County Justice Courts - Pilot B



75% within 100 days - 90% within 150 days - 98% within 180 days

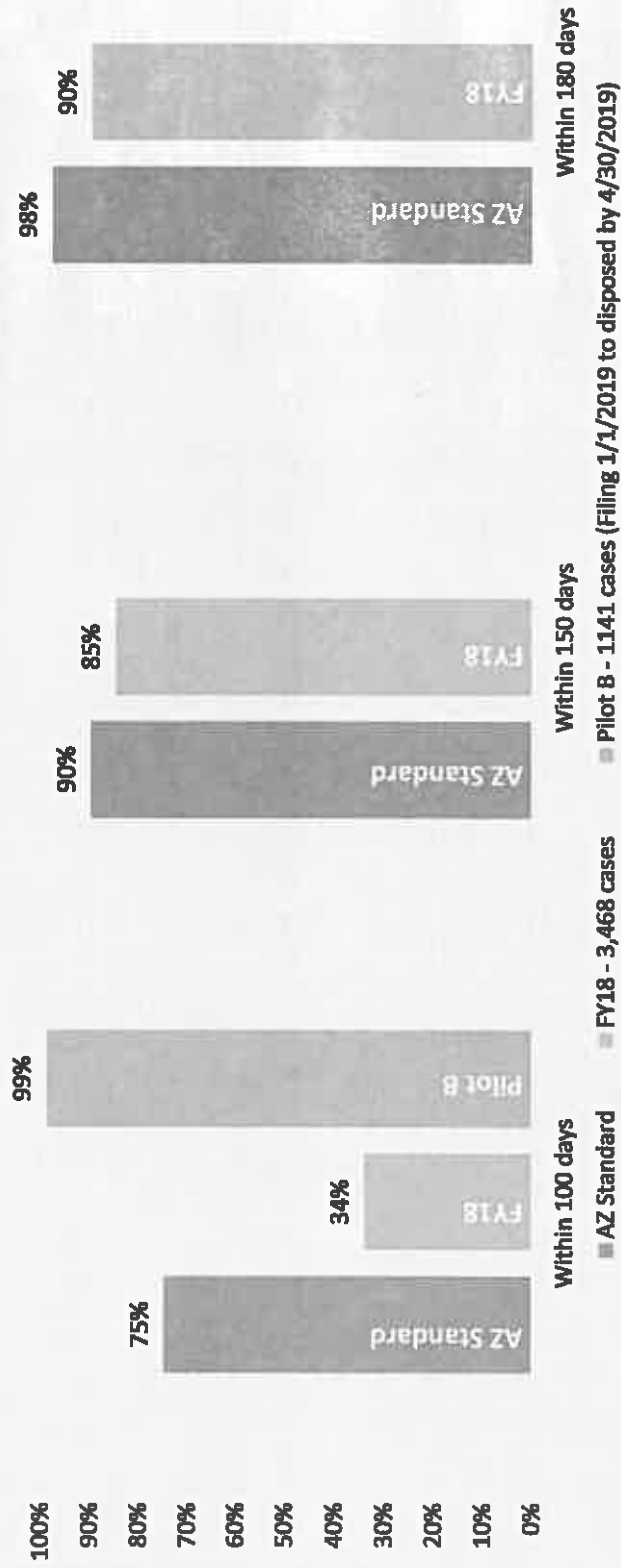
	Avg Age @ Term	88
Cases Filed	4820	
Term'd Lack of Service	736	29.48%
Term'd Lack of Prosecution	0	0.00%
Term'd Voluntary Dismissal	477	19.10%
Term'd Default Judgment	986	39.49%
Stipulation	14	0.58%
Answers Filed	338	13.54%
Total Dispositions	2497	52%
		Percentage Cumulative Percentage

Time to Disposition											
	0-30	31-60	61-90	91-100	101-120	121-150	151-180	181-210	211-240	241-270	Total
148		635	1413	124	114	57	0	N/A	N/A	N/A	2497
6%	31%	57%	5%	5%	2%	41%					
6%	31%	88%	93%	98%	100%						
Age of Active Pending											
993	827	259	68	89	70	17	0	0	0	0	2323
42.7%	35.6%	11.1%	2.9%	3.8%	3.0%	0.7%					
42.7%	78.3%	89.4%	92.3%	96.1%	98.1%	100%					

# Pima County Consolidated Justice Court- Pilot B

75% within 100 days - 90% within 150 days - 98% within 180 days

Pima County Consolidated Justice Court - Pilot B



# Pima County Consolidated Justice Court- Pilot B

75% within 100 days - 90% within 150 days - 98% within 180 days

## Small Claims Filings 1/1/19 through 4/30/19

Cases Filed	Avg Age @ Term	Time to Disposition												Total
		0-30	31-60	61-90	91-100	101-120	121-150	151-180	181-210	211-240	241-270	271+		
1141	65												258	
Term'd Lack of Service	45.42%	0	21	237	0	0	0	0	0	0	0	0	0	
Term'd Lack of Prosecution	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	
Term'd Voluntary Dismissal	18.84%	11	57	12	27	0	0	0	0	0	0	0	167	
Term'd Default Judgment	23.94%	0	18	95	18	5	0	0	0	0	0	0	136	
Term'd By Hearing	10.04%	0	20	24	2	2	0	0	0	0	0	0	57	
Term'd By Court Order	0.53%	0	0	0	3	0	0	0	0	0	0	0	3	
Stipulated Dismissal	0.35%	1	1	0	0	0	0	0	0	0	0	0	2	
Stipulated Judgment	0.88%	0	2	3	0	0	0	0	0	0	0	0	5	
Total Dispositions		598	128	371	50	7	0	0	0	0	0	0	568	
	Percentage	2.1%	22.5%	65.3%	8.3%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
	Cumulative Percentage	2%	25%	30%	39%	100%	0%	0%	0%	0%	0%	0%		
Age of Active Pending														
No Judgment		573	260	64	4	22	7	0	0	0	0	0	573	
		37.7%	45.4%	11.2%	0.7%	3.8%	1.2%							
Transfer to Civil		34	83.1%	94.2%	94.9%	98.8%	100.0%							

No Judgment 573 50.22%

Transfer to Civil 34

Average From Case Filing to Small Claims Hearing 64 Days

Average From Answer to Small Claims Hearing 35 Days

Hearing Continuance Rate 14%

Average Service Time 19 Days

# *Pending Rule Petition*

---

- Motion filed to move pending rule petition from December 2018 Rules Agenda to August 2019 Rules Agenda

- Court granted motion with the following scheduling order:

- May 24, 2019: Third amended petition due
- June 28, 2019: Comments to third amended petition due
- July 5, 2019: Petitioner reply to comments due

# *Committee Recommendations*

---

- Adopt process that mirrors Pilot B, with two modifications
- Use technology to monitor and track cases
- Explore alternative means of case resolution, e.g., ODR

# Arizona Case Processing Time Standards

---